

Media, PA – Congressman Joe Sestak (PA-07) announced today that as a result of his efforts, together with Congressman Edward J. Markey (MA-07) and Congressman Barney Frank (MA-04), Wachovia Bank will begin mailing 1,500 checks totaling more than \$314,000 to constituents of Pennsylvania's Seventh District. —

"I specifically requested that the Office of the Comptroller of the Currency (OCC) reconsider the settlement's structure to proactively identify the victims and reimburse them directly," said Congressman Sestak. "I am pleased that the victims will finally receive the restitution they deserve. Particularly in times like this, it is important to restore the public trust in our institutions. This reimbursement will be important for the constituents involved – many of them elderly individuals who had their scarce resources drained from their bank accounts and also then had to pay overdraft fees."

The action is the result of a revised settlement announced today between Wachovia Bank and the OCC – where across the nation, 742,000 checks for about \$150 million will be distributed directly. In addition, 50,000 victims will be able to file a secondary claim for reimbursement of bank fees.

More than a year ago, OCC began an investigation into the bank's treatment and lack of controls over fraudulent activities conducted by several telemarketers and third party payment processors. Wachovia's lack of oversight and action caused substantial harm to a large number of victims - including a number of elderly groups. The OCC concluded that Wachovia had engaged in unsafe or unsound practices, but agreed to a process for restitution that was cumbersome for the victims and unlikely to meet the settlement objectives. For a number of years, Wachovia collected fees and accepted "remotely created checks" from these telemarketing firms and their payment processors; this fraud resulted in losses for the elderly of their scarce resources as their bank accounts were drained and many also then had to pay overdraft fees.

Congressmen Sestak, Markey and Frank actively fought to reverse the original settlement in favor of a proactive reimbursement plan. Their actions included letters to the Comptroller of the Currency and the filing of an amicus brief for a case being heard in the U.S. District Court for the Eastern District of Pennsylvania. The Court in this case called for a restitution process that proactively identified fraud victims and mailed them the reimbursement checks. This is the process which is being implemented today.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.